

**U. S. Customs Service
Office of Strategic Trade
Regulatory Audit Division**

**Focused Assessment Program
Follow-up Audit Program**

October 2002

FOCUSED ASSESSMENT FOLLOW-UP AUDIT PROGRAM

PART 5 FOCUSED ASSESSMENT FOLLOW-UP

Determine whether corrective actions specified in the Compliance Improvement Plan (CIP) were implemented and were effective in managing risk to Customs and correcting the deficiencies identified during the previously conducted Focused Assessment (FA). (Objective may be modified for specific requirements such as verification of loss of revenue calculations by company.)

Audit Step	Initials & Date	Work Paper Ref.
A. Review the applicable Pre-Assessment Survey (PAS) or Assessment Compliance Testing (ACT) report, working papers, and CIP related to each non-compliant area identified during the PAS or ACT.		
B. Meet with team members, including the account manager, to determine the scope of the follow-up review. <ul style="list-style-type: none"> • Determine if the CIP has been fully implemented. • Determine if a reasonable time period has elapsed since completion of the CIP for a representative sample of transactions to be tested. • Determine whether the account manager, port officials, etc., have concerns that affect follow-up. • Plan for the follow-up entrance conference. 		
C. Check with the local OI office to determine if any investigative activity would preclude follow-up.		
D. Hold the entrance conference to discuss the purpose of the follow-up and Mod Act requirements.		
E. Review the actions taken by the company to correct the problem(s).		
F. Develop a sampling plan (statistical or judgmental as appropriate) and tests for the areas with inadequate internal controls and/or compliance tests for the areas identified as non-compliant.		
G. Select sample(s) and test internal controls and/or selected records for compliance.		
H. Evaluate test results in coordination with the account manager and other members of the team.		
I. Refer to the Enforcement Evaluation Team (EET) if results meet EET's impact level for referral.		

Audit Step	Initials & Date	Work Paper Ref.
J. Draft follow-up report.		
K. Hold an exit conference with the company.		
L. Issue the report to the original recipients of the FA program report(s) and new team members.		